GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:1066
ANSWERED ON:20.08.2007
TELECOM MANUFACTURING INDUSTRY
Singh Shri Uday

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government proposes to take any drastic steps to encourage indigenous telecom manufacturing units in the country; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) The Government has created investor friendly environment for development of indigenous telecom equipments. 100% Foreign Direct Investment under automatic route is allowed in telecom manufacturing sector. The Government has supported setting up of telecom specific SEZs in the country. Following incentives are being provided to encourage indigenous telecom manufacturing units in the country:

No industrial licence for manufacturing of telecom equipment. Simple Industrial Entrepreneur Memorandum (IEM) has to be filed with SIA.

Fully repatriable dividend income and capital invested.

Payment of technical know-how fee of upto US$ 2 million and royalty upto 5% on domestic sales and 8% on export sales, net of taxes, through automatic route.

Modification of Electronic Hardware Technology Park (EHTP)/Special Economic Zones (SEZs) scheme to allow 100% sales in the Domestic Tariff Area (DTA) for the purpose of meeting export obligations.

Import of all capital goods for manufacturing telecom equipment does not require any license.

Government has set up 'Export Promotion Forum' for Telecom Equipment and Services.